

Statement of Senator Tom A. Coburn, MD

Statement for the Record
September 2010

Today I have introduced two separate bills intended to hold members of Congress and other federal employees to the same tax rules Washington imposes on the rest of America.

In 2009, the Internal Revenue Service (IRS) found nearly 100,000 civilian federal employees were delinquent on their federal income taxes, owing over \$1 billion in unpaid federal income taxes. When considering retirees and military, more than 282,000 federal employees owed \$3.3 billion in taxes.

These bills are not intended to single out the majority of federal employees who work hard and pay their taxes, but members of Congress and federal employees have a clear obligation to pay their federal income taxes. Legislators and government employees should not be exempt from the laws they write and enforce. The very nature of federal employment and the concept inherent to “public service” demands those being paid by taxpayers contribute their fair share of taxes. They should lead by example.

Tax delinquency rate among congressional employees exceeds the rate of all returns filed nationwide. Taxpayers are fed up with those in Washington living under a different set of rules than the rest of America. At a time when Congress may allow taxes to increase on some or even all Americans, Congress should not expect other Americans to pay more taxes when they are not even paying the taxes they owe under the rates they set themselves.

The bills I am introducing are fair to federal employees and other taxpayers. Both bills carefully reach only those paid by the taxpayers who have willfully neglected to pay their incomes taxes.

The legislation excludes elected officials or federal employees who made oversights in their personal taxes but willfully agree to pay them, or if they are challenging the delinquency in court or through the IRS. Instead, it targets those who willfully neglect or avoid the pay their taxes.

Specifically, it excludes federal employees from termination and Members of Congress from repercussions if (1) the individual is currently paying the taxes, interest, and penalties owed to IRS under an installment plan; (2) the individual and the IRS have worked out a compromise on the amount of taxes, interest and penalties owed and the compromise amount agreed upon is being repaid to IRS; (3) the individual has not exhausted his or her right to due process under the law; or (4) the individual filed a joint return and successfully contends he or she should not be fully liable for the taxes, interest, and/or penalties owed because of something the other party to the return did or did not do.

The first bill requires all federal employees to be current on their federal income taxes or be fired from their jobs.

The second bill requires Members of Congress to report any outstanding tax liability. If the Member possesses a tax liability, this bill would require the appropriate congressional committee to launch an ethics investigation and the Member's salary would be reduced in accordance with the amount he or she owes.

These bills require no more of members of Congress or federal employees than is required of other Americans.

It should be a priority of this Congress to pass these solutions as a way to guarantee equal treatment under the law. This is especially important at this time when our national debt exceeds \$13.5 trillion since this legislation is estimated to reduce the federal deficit by at least \$3 billion.

I hope my colleagues on both sides of the aisle will support these bills to demonstrate their commitment to requiring Congress to live under the same rules it imposes on the rest of the country. It is time for every member of Congress to pay their taxes rather than simply spending the taxes of others.